

DRINKING WATER BOARD  
PACKET

SEPTEMBER 6, 2012

SALT LAKE CITY, UTAH

AGENDA  
FOR THE  
DRINKING WATER BOARD  
TELECONFERENCE  
MEETING  
ON  
SEPTEMBER 6, 2012



State of Utah

GARY R. HERBERT  
*Governor*

GREG BELL  
*Lieutenant Governor*

Department of  
Environmental Quality

Amanda Smith  
*Executive Director*

DIVISION OF DRINKING WATER  
Kenneth H. Bousfield, P.E.  
*Director*

**Drinking Water Board**

Paul Hansen, P.E., *Chair*  
Ken Bassett, *Vice-Chair*  
Terry Beebe  
Russell Donoghue  
Daniel Fleming  
Tage Flint  
Heather Jackson  
Betty Naylor  
Amanda Smith  
David Stevens, Ph.D.  
James Webb  
Kenneth H. Bousfield, P.E.  
*Executive Secretary*

DRINKING WATER BOARD  
TELECONFERENCE  
MEETING

September 6, 2012  
11:00 a.m.

Ken Bousfield's Office  
195 North 1950 West  
Salt Lake City, Utah 84116

**Teleconference Phone # to call in on: (877) 820-7831**  
**After calling in, you will be asked to enter #: 878776#**

Michael Grange's Cell Phone #: (801) 674-2563

1. Call to Order – Chairman Hansen
2. Roll Call - Michael Grange
3. Introductions – Chairman Hansen
4. Approval of Minutes – July 13, 2012
5. Financial Assistance Committee Report – Vice Chairman Bassett
  - 1) Status Report – Michael Grange
  - 2) SRF Applications  
State Funds
    - a) Axtell Community Service District – Julie Cobleigh
  - 3) Other Business – Michael Grange
6. Letters: Zion View Estates

7. Next Board Meeting:  
Date: November 9, 2012  
Time of Board Meeting: 1:00 p.m.  
Location: DEQ Board Room # 1015  
195 North 1950 West  
Salt Lake City, Utah 84116

8. Other

9. Adjourn

*In compliance with the American Disabilities Act, individuals with special needs (including auxiliary communicative aids and services) should contact Brooke Baker, Office of Human Resources, at: (801) 536-4412, TDD (801) 536-4424, at least five working days prior to the scheduled meeting.*

AGENDA ITEM 4

APPROVAL OF THE  
JULY 13, 2012  
MINUTES

**DRINKING WATER BOARD  
MINUTES**

**FROM THE**

**JULY 13, 2012  
DRINKING WATER BOARD  
MEETING**

## **ANNOUNCEMENT**

One of the Division's secretaries has been on extended sick leave. This has resulted in an increase in workload for the remaining secretaries. This staff shortage coupled with the short time frame between the July 13, 2012 and the September 6, 2012 Drinking Water Board meetings, has made it impossible to complete the July 13, 2012 Board minutes.

The July 13, 2012 Board meeting minutes and the September 6, 2012 Board meeting minutes will be presented at the November 6, 2012 Drinking Water Board meeting for approval.

## AGENDA ITEM 5

### FINANCIAL ASSISTANCE COMMITTEE REPORT



## 5. FINANCIAL ASSISTANCE COMMITTEE

### 1) STATUS REPORT – Michael Grange

DIVISION OF DRINKING WATER  
**STATE LOAN FUNDS**  
AS OF July 31, 2012

SUMMARY		
	Total State Fund:	\$5,959,724
	Total State Hardship Fund:	\$1,131,721
	Subtotal:	\$7,091,445
<b>LESS AUTHORIZED</b>	Less:	
	Authorized Loans & Closed loans in construction:	\$4,560,000
	Authorized Hardship:	\$1,314,695
	Subtotal:	\$5,874,695
	<b>Total available after Authorized deducted</b>	<b>\$1,216,750</b>
<b>PROPOSED</b>	Proposed Loan Project(s):	\$123,000
	Proposed Hardship Project(s):	\$30,700
	Subtotal:	\$153,700
<b>AS OF:</b>		
July 31, 2012	<b>TOTAL REMAINING STATE LOAN FUNDS:</b>	<b>\$1,276,724</b>
	<b>TOTAL REMAINING STATE HARDSHIP FUNDS:</b>	<b>-\$213,674</b>

(see Page 2 for details)

(see Page 2 for details)

**Total Balance of ALL Funds: \$1,063,050**

Projected Receipts Next Twelve Months: and Sales Tax Revenue	
<b>Annual Maximum Sales Tax Projection</b>	<b>\$3,587,500</b>
Less State Match for 2013 Federal Grant	(\$1,560,000)
Less State Match for 2012 Federal Grant	\$0
Less Administration Fees	(\$142,200)
<b>SUBTOTAL Sales Tax Revenue including adjustments:</b>	<b>\$1,885,300</b>
Payment:	
Interest on Investments (Both Loan and Hardship Accounts)	\$60,000
Principal payments	\$4,215,734
Interest payments	\$885,031
<b>Total Projections:</b>	<b>\$7,046,066</b>

**Receive 80% in January**

**Total Estimated State SRF Funds Available through 8-01-2013 \$8,109,115**

**DIVISION OF DRINKING WATER  
STATE LOAN FUNDS  
PROJECTS AUTHORIZED BUT NOT YET CLOSED  
AS OF July 31, 2012**

Community	Loan #	Cost Estimate	Date Authorized	Date Closed/Anticipated	Authorized Funding		
					Loan	Grant	Total
							0
Parowan 3.28% int, 20 yrs	3S161	295,960	Jul-11		660,000		660,000
Bicknell 1.50% 20 yrs	3S159	740,000	May-12		552,000	138,000	690,000
Delta SSD (Sherwood Wtr)	????	1,751,000	May-12		624,000	1,127,000	1,751,000
Summit Co Service Area #3	????	70,000	Jul-02		70,000		70,000
							0
Subtotal Loans and Grants Authorized					1,906,000	1,265,000	3,171,000
<b>PLANNING LOANS/GRANTS</b>							
Mexican Hat Planning grant	3S144P	20,000	May-10			20,000	20,000
					0	20,000	20,000
							0
<b>CLOSED LOANS (partially disbursed)</b>							
Eureka grant arsenic mitigation	3S141	68,934	May-10	Oct-10		29,695	29,695
Payson, 3.46% int, 20 yrs	3S170	3,404,000	Nov-11	Apr-12	2,654,000		2,654,000
							0
							0
Subtotal Planning Loans/Grants Auth					2,654,000	29,695	2,683,695
<b>Total authorized but not yet funded</b>					<b>\$4,560,000</b>	<b>\$1,314,695</b>	<b>\$5,874,695</b>
<b>PROPOSED PROJECTS</b>							
Axtell Community SSD	3S174	153,700			123,000	30,700	153,700
						0	0
						0	0
							0
Total Proposed Projects					123,000	30,700	153,700

**DIVISION OF DRINKING WATER**  
**STATE LOAN FUNDS**  
**AS OF July 31, 2012**

	5235	5240	
	Loan	Interest	
	Funds	(use for Grants)	Total
Cash:	\$5,959,724	\$1,131,721	\$7,091,445
Less:			
Loans & Grants authorized but not yet closed (schedule attached)	(1,906,000.00)	(1,285,000.00)	(3,191,000.00)
Loans & Grants closed but not fully disbursed (schedule attached)	(2,654,000.00)	(29,695.02)	(2,683,695.02)
Proposed loans & grants	(123,000.00)	(30,700.00)	(153,700.00)
Administrative quarterly charge for entire year	(142,200.00)		(142,200.00)
FY 2013 Federal SRF 20% match of \$7,800,000	(1,560,000.00)		(1,560,000.00)
FY 2012 Federal SRF 20% match of \$8,975,000	0.00		0.00
	<b>(425,476.04)</b>	<b>(213,674.03)</b>	<b>(639,150.07)</b>
Projected repayments during the next twelve months			
Thru 08-01-2013			
Principal	4,215,734.31		4,215,734.31
Interest		885,031.19	885,031.19
Projected annual investment earnings on invested cash balance		60,000.00	60,000.00
Sales Tax allocation thru Aug-01-2013	3,587,500.00		3,587,500.00
<b>Total</b>	<b>\$7,377,758</b>	<b>\$731,357</b>	<b>\$8,109,115</b>
* All interest is added to the Hardship Fee account.			

DIVISION OF DRINKING WATER  
**FEDERAL SRF**  
 AS OF July 31, 2012

FIRST ROUND FUND		FEDERAL SECOND ROUND FUND		
1997 thru 2012 SRF Grants		Principal Repayments	Earnings on Invested Cash Balance	Hardship Fund
Net Federal SRF Grants:	\$131,591,231	Principle (P):	\$19,988,044	Total: <b>\$1,922,749</b>
Total State Matches:	\$28,010,300	Interest (I):	\$5,881,228	
Closed Loans:	-\$151,854,894	<b>Total P &amp; I:</b>	<b>\$25,869,272</b>	
<b>Total Grant Dollars:</b>	<b>\$7,746,637</b>			

SUMMARY	
Total Federal State Revolving Fund:	\$34,817,278
Total Federal Hardship Fund:	\$1,922,749
Subtotal:	\$36,740,027

<b>LESS AUTHORIZED</b>	Less:		
	Authorized:	\$30,149,835	(see Page 2 for details)
	Authorized Federal Hardship:	\$223,681	
	Subtotal:	\$30,373,516	

<b>PROPOSED</b>	Proposed Federal Project(s):	\$0	(see Page 2 for details)
	Proposed Federal Hardship Project(s):	\$0	
	Subtotal:	\$0	

AS OF:	July 31, 2012	TOTAL REMAINING LOAN FUNDS:	\$4,667,443
		TOTAL REMAINING HARDSHIP FUNDS:	\$1,699,067

Total Balance of ALL Funds after deducting proposed actions: **\$6,366,511**

Projected Receipts thru August 1, 2013	
	\$0
	\$0
2013 Fed SRF Grant & State Match for 2013	\$7,722,000
Interest on Investments	\$230,400
Principal Payments	\$5,477,518
Interest	\$1,469,830
Hardship & Technical Assistance fees	\$543,500
Total:	\$15,443,248

Receive 80% in January

Total Estimated Federal SRF Funds Available through: 8/1/2013 **\$21,809,759**

DIVISION OF DRINKING WATER  
FEDERAL SRF  
PROJECTS AUTHORIZED BUT NOT YET CLOSED  
AS OF July 31, 2012

COMMUNITY	Project			Authorized Date	Closing Date Scheduled	Authorized From Loan Funds (1st or 2nd Round)			Hardship Fund
	Total	Terms	Loan #			Loan	Forgiveness	Total	
Shiloah Wells Water Co	25,000	2.61% loan	3F151	May-10				0	25,000
Big Plains Water & Sewer/Apple Villy	6,350,000	0% int, 30 yrs	3F117	Mar-12	Sep-12	2,540,000	538,000	3,078,000	97,000
Cedarview Montwell SSD	5,887,867	2.43% int, 30 yrs	3F188	Mar-12	Sep-13	2,128,000	532,000	2,660,000	
Duchesne County	22,000,000	2.47% int 30 yrs 1.6M pf	3F142	Mar-10	hold	2,400,000	1,600,000	4,000,000	
Elberta Water Co	1,640,535	0% int, 30 yrs (18K pl loan to roll)	3F198	Jul-12		1,319,000	339,535	1,658,535	
Freemont Waterworks	425,000	3.88% , 20 yrs	3F174	Jul-11	???	425,000		425,000	
Goasland Spring WWC	393,000	0% int, 30 yrs (15K pl loan to roll)	3F195	Jul-12		319,000	59,000	378,000	
Herriman	8,375,000	2.25% hgf, 20 yrs	3F194	Mar-12	Aug-12	4,682,000		4,682,000	
Lake Rockport Estate	404,000	4.26% , 20 yrs	3F199	Jul-12		404,000		404,000	
Ogden	8,000,000	2.26% , 20 yrs	3F157	Sep-10	Nov-12	4,000,000		4,000,000	
Skyline Mountain SSD	3,102,000	2.5% , 30 yrs	3F186	Jan-12	Sep-12	2,407,000	600,000	3,007,000	
Veyo Culinary Water Assn	2,171,000	2% , 30 yr (roll \$50,650 pl), 662K pf	3F086	Nov-11	Aug-12	560,000	662,000	1,222,000	
Willow Creek Wtr Co	225,000	0% int, 30 yr	3F200	Jul-12		225,000		225,000	
Wooden Shoe Water	201,000	1% , 30 yr	3F197	Jul-12		201,000		201,000	
								0	
								0	
TOTAL CONSTRUCTION AUTHORIZED:						\$ 21,610,000	\$ 4,330,535	\$ 25,940,535	\$ 122,000
PLANNING ADVANCES/OTHER AUTHORIZED or PARTIALLY DISBURSED 2nd rounds:									
Pine Meadow Mutual Water Co	3,068,000	3.0% int, 30 yrs (refi \$3,101,000 3F058)	3F170	May-11	Sep-11	2,068,000		2,068,000	0
Croydon Pipeline Co	840,000	0%, 30 yrs	3F145	Aug-10	Oct-11	258,000	203,000	461,000	0
Boulder Farmstead Water Co.	765,300	100% principle forgiveness	3F129	Nov-09	Mar-12		355,300	355,300	0
Kane Co-Zion View	1,400,000	4.71% int, 30 yrs	3F185	Mar-12	Jul-12	1,325,000		1,325,000	
Gunnison City	38,000	0% pl grant	3F202P	Jul-12	Aug-12				38,000
Rural Water Assn of UT 2012	124,758	Invoices thru June 2012	Ongoing	Nov-11	Dec-11				63,681
TOTAL PLANNING AUTHORIZED:						\$3,651,000	\$558,300	\$4,209,300	\$101,681
TOTAL AUTHORIZED CONSTRUCTION & PLANNING:						\$30,149,835		\$223,681	
PROPOSED PROJECTS FOR SEP 2012:									
								0	
								0	
TOTAL PROPOSED PROJECTS FOR THIS MEETING:						\$0	\$0	\$0	\$0
*RWAU hardship grant is being disbursed monthly									
AVAILABLE PROJECT FUNDS:						\$4,667,443			
AVAILABLE HARDSHIP FUNDS:						\$1,699,067			
TOTAL FUNDS AFTER PROPOSED PROJECTS ARE FUNDED:						\$4,667,443			
TOTAL FUNDS AFTER PROPOSED HS PROJECTS ARE FUNDED:						\$1,699,067			
NOTES OF LOAN CLOSINGS SINCE LAST BOARD MEETING:									
Nordic Mountain Water Company	535,581	1% int, 20 yrs	3F183	Nov-11	Jul-12	429,000	106,581	535,581	
Kane Co. - Zion View	3,215,000	4.71% int, 30 yrs	3F185	Mar-12	Jul-12	1,400,000		1,400,000	
American Fork	1,000,000	2.69% int, 20 yrs	3F162	Nov-10	Jul-12	800,000	200,000	1,000,000	
								0	
Total Recent Loan Closings						\$2,200,000	\$200,000	\$2,400,000	\$0

**DIVISION OF DRINKING WATER**  
**FEDERAL SRF LOAN FUNDS**  
**AS OF July 31, 2012**

	Loan Funds 1st Round	Loan Payments			TOTAL
		2nd Round		Hardship Fund	
		Principal	Interest		
Federal Capitalization Grants and State 20% match thru 2012	\$159,601,531				
Earnings on Invested 1st Round Funds			1,201,369		
Repayments (including interest earnings on 2nd round receipts)		19,988,044	5,881,228	1,922,749	188,594,921
Less:					
Closed loans and grants	-151,854,894				-151,854,894
<b>SUBTOTAL of Funds Available</b>	<b>\$7,746,637</b>	<b>\$19,988,044</b>	<b>\$7,082,597</b>	<b>\$1,922,749</b>	<b>\$36,740,027</b>
Loans & Grants authorized but not yet closed or fully disbursed	-23,160,535	-6,431,000	-558,300	-223,681	-30,373,516
<b>SUBTOTAL of Funds Available less Authorized</b>	<b>-\$15,413,898</b>	<b>\$13,557,044</b>	<b>\$6,524,297</b>	<b>\$1,699,067</b>	<b>\$6,366,511</b>
Future Estimates:					
Proposed Loans/Grants for current board package	0			0	0
<b>SUBTOTAL of Funds Available less Proposed Loans &amp; Grants</b>	<b>-\$15,413,898</b>	<b>\$13,557,044</b>	<b>\$6,524,297</b>	<b>\$1,699,067</b>	<b>\$6,366,511</b>
PROJECTIONS THRU August-2013					
2013 Grant proceeds estimate (inc state match)	7,722,000				
Grant \$7,800,000 less set-asides	0				
	0				
Projected repayments & revenue during the next twelve months		5,477,518	1,469,830	543,500	7,490,848
Projected annual investment earnings on invested cash balance		168,000	48,000	14,400	230,400
<b>TOTAL</b>	<b>-\$7,691,898</b>	<b>\$19,202,562</b>	<b>\$8,042,127</b>	<b>\$2,256,968</b>	<b>\$21,809,759</b>

## 5. FINANCIAL ASSISTANCE COMMITTEE

### 2) SRF APPLICATIONS STATE FUNDS

#### a) AXTELL COMMUNITY SERVICE DISTRICT - Julie Cobleigh



**DRINKING WATER BOARD  
BOARD PACKET FOR CONSTRUCTION LOAN  
INTRODUCTION TO FINANCIAL ASSISTANCE COMMITTEE**

**APPLICANT'S REQUEST:**

Axtell Community Special Service District (Axtell SSD) is requesting \$153,700 in financial assistance to stabilize their transmission line and install fire hydrants.

**STAFF COMMENTS:**

The spring transmission line crosses five natural drainage washes and is in jeopardy of imminent failure during storm events. They will also be installing new and replacing old fire hydrants throughout the system.

The local MAGI is \$29,616, which is approximately 80% of the State's MAGI. Their current average water bill is \$62.62/month per ERC, which includes a \$25/month per ERC irrigation bill. The base financial evaluation resulted in a \$153,700 construction loan with an interest rate of 2.71%. This funding package yields an average monthly water bill of approximately \$66 per connection, which is 2.69% of the local MAGI. Based on this information, Axtell SSD qualifies to be considered for additional subsidization. The following scenarios were considered:

Total Funding	Grant	Loan	Term	Interest Rate	Avg Monthly Water Bill	% of Local MAGI
\$153,700	\$0	\$153,700	20 yrs	2.71%	\$66.49	2.69%
\$153,700	\$30,700	\$123,000	20 yrs	2.71%	\$64.67	2.62%

\*The average monthly water bill includes a \$25/month per ERC irrigation bill.

**FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:**

**The Financial Assistance Committee recommends the Drinking Water Board authorize a \$153,700 construction loan to Axtell SSD at 2.71% interest for 20 years with \$30,700 in principal forgiveness.**

**APPLICANT'S LOCATION:**

Axtell SSD is located in Sanpete County.

**MAP OF APPLICANT'S LOCATION:**



**PROJECT DESCRIPTION:**

The project scope involves stabilizing their transmission line which crosses five natural drainage washes. The transmission line is in jeopardy of failure during storm events. They also plan to install new fire hydrants throughout the system and replace old ones.

### **POPULATION GROWTH:**

According to the Governor's Office of Planning and Budget, Sanpete County is estimated to grow at an annual average rate of change of approximately 1.3% through the year 2050.

	<u>Year</u>	<u>Population</u>	<u>ERC's</u>
Current:	2012	320	106
Projected:	2050	478	155

### **IMPLEMENTATION SCHEDULE:**

Apply to DWB for Construction Funds:	June 2012
DWB Funding Authorization:	August 2012
Complete Design:	September 2012
Plan Approval:	December 2012
Advertise for Bids:	December 2012
Bid Opening:	January 2013
Loan Closing:	February 2013
Begin Construction:	March 2013
Complete Construction:	April 2013
Receive Operating Permit:	April 2013

### **COST ESTIMATE:**

Legal	\$5,000
Engineering- Planning	\$10,000
Engineering- Design	\$13,000
Engineering- CMS	\$7,000
Construction- Transmission Stabilization	\$99,900
Construction- Fire Hydrants	\$8,000
Contingency	\$10,800
<b>Total Project Cost:</b>	<b>\$153,700</b>

### **COST ALLOCATION:**

The cost allocation proposed for the project is shown below.

<u>Funding Source</u>	<u>Cost Sharing</u>	<u>Percent of Project</u>
DWB Loan ( 2.71%, 20 yrs)	\$123,000	80%
DWB Grant	\$30,700	20%
Total Amount	\$153,700	100%

**ESTIMATED ANNUAL COST OF WATER SERVICE:**

Operation and Maintenance plus Depreciation:	\$24,386
DDW Debt Service (2.71 %, 20-yrs):	\$8,047.46
DDW Debt Reserve:	\$804.75
Other Debt Plus Coverage:	\$15,000
Replacement Reserve:	\$2,221.67
<hr/>	
Annual Cost/ERC:	\$476.04
Monthly Cost/ERC:	44.67
Irrigation Bill/ERC:	\$20
Total Monthly Water Bill/ERC:	\$64.67
Cost as % MAGI:	2.62%

**CONTACT INFORMATION:**

APPLICANT: Axtell Community Special Service District  
P.O. Box 21093  
Axtell, Utah 84621  
Telephone: 435-528-3768

PRESIDING OFFICIAL &  
CONTACT PERSON: Travis Blackburn, Chairman  
P.O. Box 21093  
Axtell, Utah 84621  
Telephone: 435-528-3803  
Email: travisaqha@yahoo.com

CONSULTING ENGINEER: Eric Franson, P.E.  
Franson Civil Engineers  
1276 South 820 East, Suite 100  
American Fork, Utah 84003  
Telephone: (801) 756-0309  
Email: efranson@fransoncivil.com

TREASURER/RECORDER: Don Depain  
Telephone: 435-528-3852

ATTORNEY: None Appointed

## DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Axtell SSD  
 COUNTY: Sanpete  
 PROJECT DESCRIPTION: Stabilize transmission line and fire hydrants

FUNDING SOURCE: Federal SRF

**80 % Loan & 20 % P.F.**

ESTIMATED POPULATION:	320	NO. OF CONNECTIONS:	106 *	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$62.62 *			PROJECT TOTAL:	\$153,700
CURRENT % OF AGI:	2.54%	FINANCIAL PTS:	49	LOAN AMOUNT:	\$123,000
ESTIMATED MEDIAN AGI:	\$29,616			PRINC. FORGIVENESS:	\$30,700
STATE AGI:	\$36,896			TOTAL REQUEST:	\$153,700
SYSTEM % OF STATE AGI:	80%				

	@ ZERO % RATE 0%	@ RBBI MKT RATE 4.73%		AFTER REPAYMENT PENALTY & POINTS 2.71%
<b><u>SYSTEM</u></b>				
ASSUMED LENGTH OF DEBT, YRS:	20	20		20
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	4.73%		2.71%
REQUIRED DEBT SERVICE:	\$6,150.00	\$9,645.15		\$8,047.46
*PARTIAL COVERAGE (15%):	\$0.00	\$0.00		\$0.00
*ADD. COVERAGE AND RESERVE (10%):	\$615.00	\$964.52		\$804.75
<b>ANNUAL NEW DEBT PER CONNECTION:</b>	<b>\$63.82</b>	<b>\$100.09</b>		<b>\$83.51</b>
O & M + FUNDED DEPRECIATION:	\$24,386.00	\$24,386.00		\$24,386.00
OTHER DEBT + COVERAGE:	\$15,000.00	\$15,000.00		\$15,000.00
REPLACEMENT RESERVE ACCOUNT:	\$2,126.80	\$2,301.56		\$2,221.67
<b>ANNUAL EXPENSES PER CONNECTION:</b>	<b>\$391.63</b>	<b>\$393.28</b>		<b>\$392.53</b>
TOTAL SYSTEM EXPENSES	\$48,277.80	\$52,297.22		\$50,459.88
TAX REVENUE:	\$0.00	\$0.00		\$0.00
<b><u>RESIDENCE</u></b>				
<b>MONTHLY NEEDED WATER BILL:</b>	<b>\$62.95</b>	<b>\$66.11</b>		<b>\$64.67</b>
<b>% OF ADJUSTED GROSS INCOME:</b>	<b>2.55%</b>	<b>2.68%</b>		<b>2.62%</b>

\* Equivalent Residential Connections

# R309-700-5

Axtell SSD  
Sanpete  
June 28, 2012

**TABLE 2**  
**FINANCIAL CONSIDERATIONS**

	POINTS	
1. COST EFFECTIVENESS RATIO (SELECT ONE)		
A. Project cost \$0 to \$500 per benefitting connection	16	
B. \$501 to \$1,500	14	X
C. \$1,501 to \$2,000	11	
D. \$2,001 to \$3,000	8	
E. \$3,001 to \$5,000	4	
F. \$5,001 to \$10,000	1	
G. Over \$10,000	0	
	\$1,450	
2. CURRENT LOCAL MEDIAN ADJUSTED GROSS INCOME (AGI) (SELECT ONE)		
A. Less than 70% of State Median AGI	19	
B. 71 to 80% of State Median AGI	16	
C. 81 to 95% of State Median AGI	13	X
D. 96 to 110% of State Median AGI	9	
E. 111 to 130% of State Median AGI	6	
E. 131 to 150% of State Median AGI	3	
F. Greater than 150% of State Median AGI	0	
	80%	
3. PROJECT FUNDING CONTRIBUTED BY APPLICANT (SELECT ONE)		
a. Greater than 25% of project funds	17	
b. 15 to 25% of project funds	14	
c. 10 to 15% of project funds	11	
c. 5 to 10% of project funds	8	
d. 2 to 5% of project funds	4	
e. Less than 2% of project funds	0	X
	0.0%	
4. ABILITY TO REPAY LOAN		
4. WATER BILL (INCLUDING TAXES) AFTER PROJECT IS BUILT RELATIVE TO LOCAL MEDIAN ADJUSTED GROSS INCOME (SELECT ONE)		
a. Greater than 2.50% of local median AGI	16	X
b. 2.01 to 2.50% of local median AGI	12	
c. 1.51 to 2.00% of local median AGI	8	
d. 1.01 to 1.50% of local median AGI	3	
e. 0 to 1.00% of local median AGI	0	
	2.62%	
5. SPECIAL INCENTIVE POINTS Applicant: (Mark all that apply)		
A. has a replacement fund receiving annual deposits of 5% of the system's drinking water budget been established, and has already accumulated a minimum of 10% of said annual DW budget in this reserve fund.	5	
B. Has a replacement fund equal to at least 15% or 20% of annual DW budget.	5	
C. Is creating or enhancing a regionalization plan	16	
D. Has a rate structure encouraging conservation	6	X
<b>TOTAL POINTS FOR FINANCIAL NEED</b>	49	
<b>TOTAL POSSIBLE POINTS FOR FINANCIAL NEED</b>	100	

## Axtell SSD

### PROPOSED BOND REPAYMENT SCHEDULE

80 % Loan & 20 % P.F.

PRINCIPAL	\$123,000.00	ANTICIPATED CLOSING DATE	15-May-12
INTEREST	2.71%	P&I PAYMT DUE	01-Jan-13
TERM	20	REVENUE BOND	
NOMIN. PAYMENT	\$8,047.46	PRINC PREPAID:	\$0.00

YEAR	BEGINNING BALANCE	DATE OF PAYMENT	PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	PAYM NO.
2013	\$123,000.00		\$2,092.57 *	\$0.00	\$2,092.57	\$123,000.00	0
2014	\$123,000.00		\$8,333.30	\$5,000.00	\$3,333.30	\$118,000.00	1
2015	\$118,000.00		\$8,197.80	\$5,000.00	\$3,197.80	\$113,000.00	2
2016	\$113,000.00		\$8,062.30	\$5,000.00	\$3,062.30	\$108,000.00	3
2017	\$108,000.00		\$7,926.80	\$5,000.00	\$2,926.80	\$103,000.00	4
2018	\$103,000.00		\$7,791.30	\$5,000.00	\$2,791.30	\$98,000.00	5
2019	\$98,000.00		\$7,655.80	\$5,000.00	\$2,655.80	\$93,000.00	6
2020	\$93,000.00		\$8,520.30	\$6,000.00	\$2,520.30	\$87,000.00	7
2021	\$87,000.00		\$8,357.70	\$6,000.00	\$2,357.70	\$81,000.00	8
2022	\$81,000.00		\$8,195.10	\$6,000.00	\$2,195.10	\$75,000.00	9
2023	\$75,000.00		\$8,032.50	\$6,000.00	\$2,032.50	\$69,000.00	10
2024	\$69,000.00		\$7,869.90	\$6,000.00	\$1,869.90	\$63,000.00	11
2025	\$63,000.00		\$7,707.30	\$6,000.00	\$1,707.30	\$57,000.00	12
2026	\$57,000.00		\$7,544.70	\$6,000.00	\$1,544.70	\$51,000.00	13
2027	\$51,000.00		\$8,382.10	\$7,000.00	\$1,382.10	\$44,000.00	14
2028	\$44,000.00		\$8,192.40	\$7,000.00	\$1,192.40	\$37,000.00	15
2029	\$37,000.00		\$8,002.70	\$7,000.00	\$1,002.70	\$30,000.00	16
2030	\$30,000.00		\$7,813.00	\$7,000.00	\$813.00	\$23,000.00	17
2031	\$23,000.00		\$7,623.30	\$7,000.00	\$623.30	\$16,000.00	18
2032	\$16,000.00		\$8,433.60	\$8,000.00	\$433.60	\$8,000.00	19
2033	\$8,000.00		\$8,216.80	\$8,000.00	\$216.80	\$0.00	20
			\$162,951.27	\$123,000.00	\$39,951.27		

\*Interest Only Payment



## Axtell SSD

### DWB Loan Terms

Local Share (total):	\$	-
Other Agency Funding:	\$	-
DWB Grant Amount:	\$	30,700
DWB Loan Amount:	\$	123,000
DWB Loan Term:		20
DWB Loan Interest:		<b>2.71%</b>
DWB Loan Payment:	\$	8,047

### DW Expenses (Estimated)

Proposed Facility Capital Cost:	\$	153,700
Existing Facility O&M Expense:	\$	24,386
Proposed Facility O&M Expense:	\$	24,386
O&M Inflation Factor:		<b>1.0%</b>
Existing Debt Service:	\$	12,000

### DW Revenue Sources (Projected)

Beginning Cash:	\$	-
Existing Customers (ERC):		106
Projected Growth Rate:		<b>1.0%</b>
Impact Fee/Connection Fee:	\$	4,619
Current Monthly User Charge:	\$	37.62
Needed Average Monthly User Charge:	\$	39.67

### DW Revenue Projections

Yr	Growth Rate (%)	Annual Growth (ERC)	Total Users (ERC)	User Charge Revenue	Impact Fee Revenue	Property Tax Revenue	Total Revenue	DWB Loan Repayment	DWB Loan Reserves	Remaining Principal	Principal Payment	Interest Payment	Existing DW Debt Service	O&M Expenses	Total Expenses	Debt Service Ratio
0	1.0%	1	106	47,851	4,619	-	52,470	-	-	123,000	-	-	12,000	24,386	36,386	-
1	1.0%	1	107	50,936	4,619	-	55,555	<b>8,333</b>	<b>805</b>	118,000	5,000	3,333	12,000	24,386	45,524	1.53
2	1.0%	1	108	51,412	4,619	-	56,031	<b>8,198</b>	<b>805</b>	113,000	5,000	3,198	12,000	24,630	45,632	1.55
3	1.0%	1	109	51,888	4,619	-	56,507	<b>8,062</b>	<b>805</b>	108,000	5,000	3,062	12,000	24,876	45,743	1.58
4	1.0%	1	110	52,364	4,619	-	56,983	<b>7,927</b>	<b>805</b>	103,000	5,000	2,927	12,000	25,125	45,856	1.60
5	1.0%	1	111	52,840	4,619	-	57,459	<b>7,791</b>	<b>805</b>	98,000	5,000	2,791	12,000	25,376	45,972	1.62
6	1.0%	2	113	53,792	9,238	-	63,030	<b>7,656</b>	<b>805</b>	93,000	5,000	2,656	12,000	25,630	46,090	1.90
7	1.0%	1	114	54,268	4,619	-	58,887	<b>8,520</b>	<b>805</b>	87,000	6,000	2,520	12,000	25,886	47,211	1.61
8	1.0%	1	115	54,744	4,619	-	59,363	<b>8,358</b>	<b>805</b>	81,000	6,000	2,358	12,000	26,145	47,308	1.63
9	1.0%	1	116	55,220	4,619	-	59,839	<b>8,195</b>	<b>805</b>	75,000	6,000	2,195	12,000	26,407	47,406	1.66
10	1.0%	1	117	55,696	4,619	-	60,315	<b>8,033</b>	<b>805</b>	69,000	6,000	2,033	12,000	26,671	47,508	1.68
11	1.0%	1	118	56,172	4,619	-	60,791	<b>7,870</b>		63,000	6,000	1,870	12,000	26,937	46,807	1.70
12	1.0%	1	119	56,648	4,619	-	61,267	<b>7,707</b>		57,000	6,000	1,707	12,000	27,207	46,914	1.73
13	1.0%	2	121	57,600	9,238	-	66,838	<b>7,545</b>		51,000	6,000	1,545	12,000	27,479	47,023	2.01
14	1.0%	1	122	58,076	4,619	-	62,695	<b>8,382</b>		44,000	7,000	1,382	12,000	27,754	48,136	1.71
15	1.0%	1	123	58,552	4,619	-	63,171	<b>8,192</b>		37,000	7,000	1,192	12,000	28,031	48,223	1.74
16	1.0%	1	124	59,029	4,619	-	63,648	<b>8,003</b>		30,000	7,000	1,003	12,000	28,311	48,314	1.77
17	1.0%	2	126	59,981	9,238	-	69,219	<b>7,813</b>		23,000	7,000	813	12,000	28,595	48,408	2.05
18	1.0%	1	127	60,457	4,619	-	65,076	<b>7,623</b>		16,000	7,000	623	12,000	28,880	48,504	1.84
19	1.0%	1	128	60,933	4,619	-	65,552	<b>8,434</b>		8,000	8,000	434	12,000	29,169	49,603	1.78
20	1.0%	1	129	61,409	4,619	-	66,028	<b>8,217</b>		-	8,000	217	12,000	29,461	49,678	1.81

Total Paid in Debt Service = 123,000 37,859

**20051 Axtell Community SSD Water System  
Compliance Report  
July 30, 2012**

**Administration:**

No issues

**Operator Certification:**

No issues

**Bacteriological Information:**

No issues

**Chemical Monitoring:**

No issues

**Lead/Copper:**

No issues

**Consumer Confidence Report**

No issues

**Physical Facilities:**

Do not have access to self-contained breathing apparatus in chlorinator

**Drinking Water Source Protection:**

No issues

**Plan Review:**

No issues

## AGENDA ITEM 6

LETTERS: ZION VIEWS ESTATES

RICHARD MURN  
P.O. BOX 61545  
BOULDER CITY, NV 89006  
Zion View Estates Property Owner

August 2, 2012

TO: The Salt Lake Tribune  
143 South Main Street  
Salt Lake City, UT 84111  
ATTN: Michael Anastasi  
Managing Editor

RE: Article "Utah legislator rips D.C. while raking in federal cash" (Reported by Judy Fahys)

After reading Ms. Fahys' synopsis resulting from attending many meetings, telephone interviews, and site visits for over two years, I am appalled at the outcome. After countless hours and Salt Lake Tribune resources to come up with such a drastic half-truth bias can only be described as despicable. I do not intend to spend time here doing a blow-by-blow response to negative half-truth overtones insinuated in her article. Instead, my personal response is to direct my disgust at you and your reporter for allowing the Tribune to report to the public utter non-factual gibberish and, for the record, correct in part this twisted piece of reporting.

Zion View Estates is thankful that the Kane County Water Conservancy District (KCWCD) exists (and equally as important) under the leadership of Mr. Mike Noel and his staff. Under his leadership, many necessary new clean water projects have emerged. Zion View Estates (like many mountain communities before us) needed a centralized well-rounded entity like KCWCD to see that OUR tax dollars are utilized efficiently. REQUIRED regulations from Federal, State, and County regulators [i.e., the Federal Environmental Protection Agency (EPA), the Utah Department of Environmental Quality (DEQ), the Utah Division of Drinking Water (DDW), as well as the Utah Division of Water Rights (State Engineer's Office)] needed to be followed and enforced. KCWCD has the experience and knowledge to comply with these regulations as well as an expert staff to implement these necessities. Ms. Fahys fails to mention these requirements in her article.

It is well known on Cedar Mountain (not just at Zion View Estates) that Kane County Coffer Funds are full of tax dollars from OUT OF STATE second-home property owners, who are not entitled to tax-lowering incentives like Kane County primary homeowners. The facts are clear. Most necessary enhanced services in Kane County exist because of this out-of-state tax base. Ms. Fahys' article implies that out-of-state primary homeowners are infringing on Utah federally allocated funds to improve second homes in Kane County. Here, again, her article is by far incorrect and extremely misleading!

I am extremely thankful that we have the KCWCD and people like Mr. Noel that have the incentive and knowhow to make this water project a reality. Most people take water for granted. It takes quality people to see that our drinking water is safe and adequate for us to enjoy. On all property tax bills, each year property owners pay a fee to KCWCD for their operating expenses. Ms. Fahys' article fails to mention this as well. My hat is off to the KCWCD for their low operation cost and coming to our aid when Zion View Estates asked for their help. (I thank Ms. Fahys for pointing out Mr. Noel's yearly salary (like this was really necessary). It is quite evident that he and his staff are underpaid for all that is on their plate. (I will make it a point to work on improving their base salary in another venue.) WE (Zion View Estates) ASKED KCWCD FOR THEIR HELP. They were not obligated to assist. Your article, again, fails to mention this point; but, instead, misleads the public in thinking that KCWCD is pushing their services on communities!

Obviously, the Utah Permanent Community Impact Fund Board, as well as the Utah Division of Drinking water (which I thank them both for their support) knew what the right thing to do was. Knowing that the public is at risk when a poor quality water system exists, the KCWCD completed a quality engineer prospectus requesting funds. This action resulted in BOTH Boards authorizing the loans requested. Thank goodness we have these entities to go to for help at

times of need. I would hate to think of what would happen if we had to rely on the research and reporting of the Tribune to see this project through. I believe that Ms Fahys should be given the opportunity to retract this article as well as do a full disclosure on her investigative findings. This, then, would permit your readers to have the advantage of the Paul Harvey "rest of the story."

I could go on and on picking apart your approved article, but I think you have my drift. Whatever your intention was in allowing this falsehood to be printed, the damage is done (hopefully with limited affect). I can't say enough how grateful I am to all organizations that have been approached to support this project and have extended their help and resources. State and County governments and private entities that have been approached for assistance have supported our straight-forward request.

I realize that the Tribune has a wide circulation, reaching many subscribers. And, who am I to express my personal distaste over this article. I will certainly encourage my extended family in Salt Lake City to re-think their need for your paper. With that said, I have been deeply involved in this project to know the difference of the truth and half truths. My perception of the Tribune convoluting and twisting facts is to attract ignorant readers to support those in opposition to this project. I'm sure you have your reasons for this approach, most likely the two loans. It usually is. It always goes back to the "money" -- the "haves" and the "have nots." If you were to print this as a rebuttal, I'm OK with that. (I doubt you will).

The facts remain. Zion View has an out-of-compliance water delivery system. Government regulations have been imposed. It is only right that Government with the community work together to bring safe drinking and fire suppression capabilities to our community. We approached knowledgeable people for assistance. A process was developed, put into place and now success is at our doorstep. Should any of your readers be in the "have-not" category and wish to embark on a long road to success, have them contact Mr. Mike Noel or myself and I'm sure we can put them on the right path for their success as well.

Respectfully,



RICHARD MURN

Zion View Estates Property Owner.

cc:

Utah Division of Drinking Water  
P.O. BOX 144830  
Salt Lake City, UT 84114-4830  
ATTN: Kenneth H. Bousfield, P.E.  
Director

Utah Drinking Water Board  
1073 East 11780 South  
Sandy, UT 84094  
ATTN: Paul Hansen, P.E.  
Chairman

Utah Permanent Community Impact Fund Board  
140 East 300 South 4th floor  
Salt Lake City, UT 84111  
ATTN: Gordon Walker  
Chairman

Utah Division of Water Rights  
1594 W. North Temple, Suite 220  
P.O. BOX 146300  
Salt Lake City, UT 84114-6300  
ATTN: Kent Jones, P.E.  
State Engineer

Kane County Commission  
76 North Main St.  
Kanab, UT 84741  
ATTN: Commissioners  
Heaton(Chairman)  
Matson  
Clayson

Kane County Water Conservancy District  
190 West Center, Suite 200  
Kanab, UT 84741  
ATTN: Mike Noel  
Executive Director